GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:1390
ANSWERED ON:25.07.2017
Uniform Taxation on MSPs
Sigriwal Shri Janardan Singh

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether steps have been taken by the Government to bring various States on board for a uniform taxation on various Minimum Support Prices (MSPs) ;
(b) if so, the details of the solution proposed and the list of States which are against the idea of uniform taxation on MSP;
(c) if not, the reasons therefor; and
(d) the amount foregone in subsidy due to higher taxation in the last three years and the details of various States which have high tax policy on MSP?

Answer

MINISTER OF STATE FOR CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
(SHRI C. R. CHAUDHARY)
(a), (b) & (c): Goods and Service Taxes (GST) was implemented w.e.f. 1st July, 2017. It reduces the total taxes levied on Minimum Support Price (MSP) of foodgrains. States levy various taxes on procurement of foodgrains undertaken for Central Pool within their jurisdiction. The total tax rate before and after implementation of GST is enclosed as Annexure-A.
(d): Since, taxes are paid on procurement of foodgrains for the Central Pool; hence these taxes are a part of the Food Subsidy. The statutory charges paid to various states, on operation of procurement of wheat/paddy for last three years is enclosed at Annexure-B. Details of taxes levied in various States on MSP of foodgrains is enclosed as Annexure-A.
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ANNEXURE-A
ANNEX REFERRED TO IN REPLY TO PARTS (a) to (d) OF UNSTARRED QUESTION NO 1390 TO BE ANSWERED ON 25TH JULY, 2017 IN LOK SABHA.
Food Corporation of India
Statutory Taxes Rate of differenet States/Uts for 2016-17
(Figure are in percentage of MSP unless otherwise mentioned)
State
Wheat
RICE
Market Fee
RD Fee/ APMC Cess
Nirashrit Shulk/ Mapari Charges
VAT
ID Fee
Arhatia/ Socities Commission
Total taxes pre-GST
Total taxes post GST
Market Fee
RD Fee/ APMC Cess
Nirashrit Shulk/ Mapari Charges
VAT
ID Cess
Arhatia/Socities Commission
Total taxes pre-GST
Total taxes post GST
Punjab
2.00
2.00
5.00
3.00
2.50
14.50
6.50
2.00
2.00
5.00
3.00
2.50
14.50

6.50
Haryana
2.00
2.00
5.00
2.50
11.50
6.50
2.00
2.00
5.00
2.50
11.50
6.50
U.P. #
2.00
0.50
4.00
Rs.27/Qtl (1.77%)
8.27
4.27
2.00
0.50
4.00
Rs.32/Qtl (2.12%)
8.62
4.62
M.P.
2.00
0.20
5.00
Rs.27/Qtl (1.77%)
8.97
3.97
2.00
0.20
5.00
Rs.32/Qtl (2.12%)
9.32
4.32
Bihar
4.00
Rs.27/Qtl (1.77%)
5.77
1.77
4.00
Rs.32/Qtl (2.12%)
6.12
2.12
Rajasthan
1.60
2% on MSP & Rs.27/Qtl (1.77%)
5.37
5.37
1.60
2% on MSP & Rs.27/Qtl (1.77%)
5.37
5.37
Uttrakhand
2.50
5.00
7.50
2.50
2.50
5.00
-
7.50
2.50
Delhi
1.00
2.00

3.00
3.00
-
-
Gujrat
1.00
1.00
1.00
1.00
1.00
1.00
Jhrakhand
-
2.50
2.50
2.50
1.00
2.50
3.50
3.50
Maharashtra
1.05
Rs.2.75/ qtl (0.18%)
1.23
1.23
1.05
0.18
Rs.32/Qtl (2.12%)
3.35
3.35
Himachal Pradesh
1.00
4.00
5.00
1.00
1.00
4.00
5.00
1.00
J & K
-
-
-
-
West Bengal
0.50
Rs.27/Qtl (1.77%)
2.27
2.27
0.50
Rs.32/Qtl (2.12%)
2.62
2.62
Andhra Pradesh
1.00
5.00
6.00
1.00
1.00
5.00
5.00
Rs.32/Qtl (2.12%)
13.12
3.12
Assam
1.00
1.00
1.00
1.00
Rs.32/Qtl (2.12%)
3.12

3.12
Chhattishgarh
2.00
0.20
2.20
2.20
2.00
0.20
5.00
Rs.32/Qtl (2.12%)
9.32
4.32
Karnataka
-
-
1.50
-
1.50
1.50
Kerala
-
-
-
7.00
-
7.00
7.00
Orissa
5.00
5.00
-
2.00
5.00
Rs.32/Qtl (2.12%)
9.12
4.12
Puducherry
-
-
-
-
Tamilnadu
-
-
-
-
Telangana
-
1.00
5.00
5.00
Rs.32/Qtl (2.12%)
13.12
3.12
In UP the APMC cess is 0.5%
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Annexure-B
ANNEX REFERRED TO IN REPLY TO PART (d) OF UNSTARRED QUESTION NO 1390 TO BE ANSWERED ON 25TH JULY, 2017 IN LOK SABHA.
Statutory Taxes & levies paid to State Governments/UTs on Central Pool Procurement
(Amount in crore)
Wheat
Rice/Paddy
* Based on Procurement K MS 2016-17 (as on 31.05.2017)
Sl. No.
RMS (Rabi Marketing Season)
Amount
1.
RMS 2014-15
4498

2
RMS 2015-16
4623
3.
RMS 2016-17
4245
Sl. No.
KMS (Kharif Marketing Season)
Amount
1.
KMS 2014-15
7143
2
KMS 2015-16
8326
3.
KMS 2016-17*
9412